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IIBF CCP

MOCK TEST



Note: Though we had taken enough care to go through the questions, we advise everyone to update oneself with the latest information through RBI website and other authenticated sources.

November 2021

IIBF – CERTIFIED CREDIT PROFESSIONAL MOCK TEST

Try to solve the given mock test of CCP Exam within 15 Minutes & then check your answers from the answer key provided at the last of this article!!

CCP MOCK TEST

No.	QUESTION
1	Basic principles of lending involve which of the following options? a) Only Safety of advance b) Only Profitability for the bank c) Safety, liquidity & profitability d) None of the above
2	Which of the following statement is incorrect? a) Credit ratings are the options about relative credit risk b) Credit ratings are considered as an investment advice to an investor while making investment decisions c) Credit ratings are not the indications of the market liquidity of a debt security or debts price in the secondary market d) Credit ratings are not guarantees of quality of credit or of credit risk of future
3	Which of the following is a negative (credit) from Bank's rating perspective? a) Presence of strong regulatory environment b) Presence of strong legal system c) Political Uncertainty d) Economic Environment (Strong)
4	Security Documents signed by any a partner in a partnership firm will bind the firm. In the context, which of the following is a correct statement? a) All partners should sign the security documents to bind the firm b) Minimum 2/3rd of the partners of the firm should effectively bind the firm

	<p>c) A single partner can bind the firm if he or she has the power of attorney from the others</p> <p>d) None of the above options</p>
5	<p>Loan given to a minor can be recovered only if it is secured by collateral security given by the third party because _____.</p> <p>a) There is no contract with the minor for the collateral security</p> <p>b) Contract of third-party guarantee is available</p> <p>c) Both the minor & the 3rd party can be sued</p> <p>d) Loan given to a minor cannot be recovered under any circumstances</p>
6	<p>Which one of the following exposures is not excluded while reckoning capital market exposure of a bank?</p> <p>a) Promoter's shares in the Special Purpose/Project Vehicle (SPV) of an infrastructure project pledged to the bank</p> <p>b) Exposure to Stock brokers & Market makers</p> <p>c) Tier I & II debt instruments that are issued by other banks</p> <p>d) Investment in the Cash Deposits of other banks</p>
7	<p>Stress testing is a risk management tool which is used to simulate:</p> <p>a) All extreme, highly probable event only and their impact on firm</p> <p>b) All extreme, highly improbable event and their impact on firm</p> <p>c) Only known events and their impact on firm</p> <p>d) Known events and those that have occurred and their impact on firm</p>
8	<p>Off-balance sheet exposure of a bank includes which of the following expenses?</p> <p>a) Travelling expenses of senior executives</p> <p>b) Standby letters of credit- LCs, money guarantees, bid bonds, letters of credit, indemnities & warranties, swaps, options, forex forward contracts, etc.</p> <p>c) LCs accepted and/or that are negotiated by the bank</p> <p>d) None of the above</p>
9	<p>Which one of the following options is true in respect of Private Limited Company?</p> <p>a) There is no restriction for the share transfer</p> <p>b) Certificate of Commencement of business is mandatory</p> <p>c) 200 is the Maximum number of persons who can hold membership of Pvt Ltd Co.</p>

	d) Pvt. Ltd. should have atleast of 3 directors
10	<p>Liquidity risk of a bank arises because of?</p> <p>a) Shortage of cash in ATMs that are outsourced by the bank b) Funding of long-term assets by liabilities of short-term c) Provisions of low levels of capital for the bank's operations d) None of the above options</p>
11	<p>In a CDS i.e Credit Default Swap transaction:</p> <p>a) The protection buyer is long on risk b) The protection seller is short on risk c) The protection buyer makes periodic payments d) The protection seller makes periodic payments</p>
12	<p>How is the profitability of the bank gets aided by the Credit Policy?</p> <p>a) By good quality lending b) By ensuring there are adequate returns on loans c) Not losing the market share d) Ensuring all of the above options</p>
13	<p>To inject liquidity into money markets, Central bank uses which of the following rates?</p> <p>a) Reverse repo rate b) Repo rate c) Bank rate d) Reserve ratio</p>
14	<p>Which one of the following characteristics is not included in 3 "R" concepts in the appraisal?</p> <p>a) Resources b) Reliability c) Responsibility d) Rating</p>
15	<p>Pricing of the loans should be related to which of the following rates?</p> <p>a) Inter bank borrowing rate b) Reference rate of RBI c) Risk rating & credit quality of the borrower</p>

d) None of the above options

ANSWER KEY			
1	c	9	c
2	b	10	b
3	c	11	b
4	d	12	d
5	d	13	b
6	b	14	d
7	b	15	c
8	b	-	-

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